

**SHELBY COUNTY BOARD OF COMMISSIONERS
AGENDA ROUTE SHEET**

Referred to Commission Committee (name) Hospitals & Health

For Commission Action on (date) June 16, 2008

A Resolution approving a contract in the amount of \$130,000.00 with Air Technical Services, Inc. for the purchase and installation of a boiler for the Memphis and Shelby County Health Department at 814 Jefferson Avenue, Memphis, TN 38105, and this item requires the expenditure of FY2007-2008 Capital Improvement Program funds in an amount not to exceed \$130,000.00. Sponsored by Commissioner Joyce Avery.

CHECK ALL THAT APPLY BELOW:

☐ This Action does NOT require expenditure of funds.

☒ This Item requires/approves expenditure of funds as follows (complete all that apply):

County General Funds: \$ _____ : County CIP Funds: \$ 130,000.00

State Grant Funds: \$ _____ : State Gas Tax Funds: \$ _____

Federal Grant Funds: \$ _____

Other funds (Specify source and amount): \$ _____

Other pass-thru funds (Specify source and amount): \$ _____

Originating Department: Division of Health Services – Administration and Finance

APPROVAL:

Dept. Head: Johnathan Russell 544-7585 \ _____ \ _____
(Type your name & phone #.) (Initials) (Date)

Division Director: Yvonne S. Madlock 544-7583 \ _____ \ _____
(Type your name & phone #.) (Initials) (Date)

CIP – A&F Director: _____ \ _____ \ _____
(Type your name & phone #.) (Initials) (Date)

Finance Dept.: Michael A. Swift 545-4449 \ _____ \ _____
(Type your name & phone #.) (Initials) (Date)

County Attorney: Fred E. Jones, Jr. 545-4611 \ _____ \ _____
(Type your name & phone #.) (Initials) (Date)

CAO/Mayor: James Huntzicker 545-4514 \ _____ \ _____
(Type your name & phone #.) (Initials) (Date)

ITEM NO: _____

PREPARED BY: Johnathan Russell

APPROVED BY: _____

A Resolution approving a contract in the amount of \$130,000.00 with Air Technical Services, Inc. for the purchase and installation of a boiler for the Memphis and Shelby County Health Department at 814 Jefferson Avenue, Memphis, TN 38105, and this item requires the expenditure of FY2007-2008 Capital Improvement Program funds in an amount not to exceed \$130,000.00. Sponsored by Commissioner Joyce Avery.

WHEREAS, That the Memphis and Shelby County Health Department (“MSCHD”) has a need to replace the boiler at the building located at 814 Jefferson Avenue, Memphis, TN 38105, due to the fact that the current boiler is the original boiler that was installed when phase I of the building was built (1959), and, per the most recent inspection by the Tennessee Department of Boiler Inspections, it was strongly recommended that the boiler be replaced; and

WHEREAS, The new boiler will provide greater efficiency and dependability in operations; and

WHEREAS, That Shelby County Government issued a Request for Proposal (“RFP”) Number 08-004-69, Boiler Replacement, on April 28, 2008 and that Air Technical Services, Inc. responded to said RFP on May 8, 2008; and

WHEREAS, That Shelby County Government desires to enter into a contract with Air Technical Services, Inc. to expend \$130,000.00 for the purchase and installation of a new boiler at the 814 Jefferson Avenue building, and

WHEREAS, Funds in the amount of \$100,000.00 are currently available in CIP Project Number 101315 for the purpose of replacing the boiler; and

WHEREAS, Funds are available in the amount of \$100,000.00 in the City of Memphis FY2007-2008 CIP budget (Project Number GA04030) for \$100,000.00 for the purpose of replacing the boiler; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, that a contract between Shelby County Government and Air Technical Services, Inc in the amount of \$130,000.00 for the purchase and installation of a new boiler at 814 Jefferson Avenue, Memphis, TN 38105, be approved.

BE IT FURTHER RESOLVED, That funds be appropriated in the amount of \$65,000.00 from the FY2007-2008 CIP Budget Project number 101315, Boiler Replacement.

BE IT FURTHER RESOLVED, That this resolution shall be of no force or effect if said contract is not entered into by Air Technical Services and the County by June 30, 2008.

BE IT FURTHER RESOLVED, That the County Mayor is hereby authorized to execute this document and any other document necessary to comply with the intent of this resolution, an executed copy of which is to be on file in the Purchasing Department.

BE IT FURTHER RESOLVED, That the County Mayor and Director of Administration and Finance are hereby authorized to issue their warrant or warrants to Air Technical Services in the amount not to exceed \$130,000.00, and to take proper credit in their accounting therefore.

A C Wharton, Jr., County Mayor

Date: _____

ATTEST:

Clerk of County Commission

ADOPTED: _____

SUMMARY SHEET

I. Description of Item

Request approval of a contract between Shelby County Government and Air Technical Services, Inc. This contract is for the replacement of a boiler located at 814 Jefferson Avenue, Memphis, TN 38105, the main building that houses the Memphis and Shelby County Health Department.

II. Source and Amount of Funding

- A. Shelby County Government Capital Improvements Project
Project No. 101315 \$65,000.00
City of Memphis Government Capital Improvement Project
Project No. GA04030 \$65,000.00

B. There are no other costs, directly or indirectly associated with this resolution.

C. There are no additional or subsequent obligations or expenses for which Shelby County will ultimately be responsible.

III. Contract Items

The contract term will begin upon execution of the contract and ends upon completion of the project.

Maximum amount of the contract is for \$130,000.00.

The Contractor shall submit invoices to the County for services performed in order to receive reimbursement.

IV. Additional Information Relevant to Approval of this Item

A. Administration recommends approval of this Resolution.

B. The replacement of the boiler is to take place at 814 Jefferson building of the Memphis and Shelby County Health Department. This facility is used currently and will be used in the future for the provision of various health services to the citizens (Tuberculosis clinic, STD/HIV Clinic, Children's Special Services Clinic, Vital Records, Environmental Health, Laboratory Testing) as well as serving as the Administrative Headquarters of the Memphis and Shelby County Health Department.

C. The boiler that is being replaced was installed with the completion of phase I of the 814 Jefferson building, which became operational approximately 1959. Upon most recent inspection by the State, we were told that the boiler needed to have been replaced, and we are risking the boilers failing and causing a potential work stoppage. This could cause the Health Department to not be able to provide services for up to a month.

D. The operating budget impact of this project will be positive. By replacing the old 2,000,000 btu boiler with two new 1,000,000 btu energy efficient boilers, we will have a permanent drop of our utility costs to the extent that we conservatively estimate a payback on the purchase of the boilers in 20 years. Furthermore, if one of the boilers were to fail, we would be able to temporarily operate the other boiler without significant loss of work at 814 Jefferson.

